

Message Text

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ORIGIN EB-08

INFO OCT-01 EA-10 ISO-00 AGRE-00 CIAE-00 COME-00
INR-07 LAB-04 NSAE-00 SP-02 STR-06 TRSE-00 FRB-03
OMB-01 L-03 CTME-00 ITC-01 /046 R

DRAFTED BY EB/TEX:WBREW:HM
APPROVED BY EB/ITP:WBARRACLOUGH
EA/TIMBS - ECHESKY
LABOR -EHABBERTON
COMMERCE - RLEVIN
LABOR -EHABBERTON
L/EB - CROH
L/T - POLSON

-----085129 202138Z /73
R 201750Z JAN 78
FM SECSTATE WASHDC
TO AMEMBASSY KUALA LUMPUR
INFO AMEMBASSY TAIPEI

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TA FOR US TEXTILE DEL

E.O. 11652: N/A

TAGS: ETRD, MY

SUBJECT: TEXTILE AGREEMENT.

REFS: A) KUALA LUMPUR 9195 B) STATE 2032
-- C) KUALA LUMPUR 266 -#32

1. WE HAVE SENT TEXT OF DRAFT TEXTILE AGREEMENT TO YOU BY
SEPTTEL (REF B) FOR DELIVERY TO GOM FOR THEIR REVIEW.
FOLLOWING ARE OUR COMMENTS ON THE DRAFT AGREEMENT , ON
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RESULTS OF NEGOTIATIONS, AND ON FEW OTHER MATTERS RELATED
TO TEXTILE TRADE, FOR USE IN DISCUSSIONS WTTT MALAYSIAN
OFFICIALS.

2. WE FEEL THAT RESULTS OF NEGOTIATIONS ARE FAIR TO
MALAYSIA AND TO U.S. IMPORTANT ELEMENTS IN AGREEMENT,
FROM MALAYSIAN POINT OF VIEW, ARE ELIMINATION OF

AGGREGATE LIMIT AND GROUP LIMIT ON COTTON AND MAN-MADE FIBER NON-APPAREL PRODUCTS AND INCREASED USE OF CON-DE SULTATION LEVELS RATHER THAN SPECIFIC LIMITS.

3. DURING NEGOTIATIONS, MALAYSIANS REQUESTED INFORMATION ON SPLITTING OF OLD CATEGORY 64 INTO NEW CATEGORIES 300, 301, 362 AND 369. OUR STATISTICS SHOW FOLLOWING TRADE:

NEW CATEGORY ----- TSUSA NOS. ---- YE 10/77 TRADE

300	300.6020	0
--	300.6022	0
--	300.6024	0
301	300.6026	0
--	300.6028	0
362	363.6025	0
369	ALL REMAINING	275,887 LBS.
--	TSUSA NOS.	(ONLY 366.4730,
--	TABLECLOTHS AND	
--	NAPKINS)	

4. IT WAS AGREED DURING NEGOTIATIONS THAT EXISTING ADMINISTRATIVE ARRANGEMENT EXCEPTING CERTIFIED HAND PRINTED BATIK FROM AGREEMENT WOULD CONTINUE UNDER NEW AGREEMENT. ALTHOUGH ARRANGEMENT HAS BEEN IN EFFECT FOR SOME TIME, U.S. HAS NOT FORMALLY REQUIRED CERTIFICATE FOR ENTRY. U.S. CUSTOMS HAS NOW BEEN INSTRUCTED TO LIMITED OFFICIAL USE

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REQUIRE CERTIFICATION FOR ENTRY OF BATIK EXPORTED ON OR AFTER DEC. 26, 1977; BATIK EXPORTED PRIOR TO DECEMBER 26, WILL BE PERMITTED ENTRY WITHOUT CERTIFICATE UNTIL FEBRUARY 23, 1978 (90 DAYS AFTER PUBLICATION OF FEDERAL REGISTER NOTICE CONCERNING INSTRUCTIONS TO CUSTOMS). WE PRESUME THAT GOM HAS BEEN ISSUING CERTIFICATES ALL ALONG; IF SO, THESE NEW FORMAL REQUIREMENTS FOR CERTIFICATE SHOULD HAVE NO IMPACT. IF HOWEVER, MALAYSIAN EXPORTERS DO NOT OBTAIN CERTIFICATES, SHIPMENTS WILL BE TIED UP AT U.S. PORTS. THIS ACTION WAS DISCUSSED WITH MALAYSIAN DEL IN WASHINGTON; IT MIGHT WELL BE MENTIONED AGAIN SO AS TO AVOID ANY PROBLEM.

5. PARA 2 OF DRAFT NOTE DEFINES GROUPS AND SPECIFIES CATEGORIES WITHIN GROUPS. CATEGORY NUMBERING SYSTEM IS NOT CONTINUOUS, I.E., ALTHOUGH COTTON CATEGORY NUMBERS RUN FROM 300 TO 369, THERE ARE CATEGORY NUMBERS WHICH HAVE NOT BEEN ASSIGNED TO ANY PRODUCT; THIS IS REQUIRED TO PERMIT SAME PRODUCTS MADE OF DIFFERENT FIBERS TO HAVE IDENTICAL LAST TWO DIGITS IN CATEGORY NUMBERS. ALL PRODUCTS DO NOT EXIST IN EACH FIBER. THE INITIALED MEMO DOES NOT REFER TO UNASSIGNED CATEGORY NUMBERS; THE DRAFT

NOTE SIMPLIFIES THE LIST OF CATEGORY NUMBERS BY USING LARGER GROUPS, INCLUDING "UNASSIGNED NUMBERS. THIS DOES

NOT CHANGE GROUP COVERAGE; PURPOSE WAS SOLELY TO SHORTEN AND SIMPLIFY REFERENCES TO CATEGORIES INCLUDED IN GROUPS.

6. ALTHOUGH SUBSTANCE OF PARA 8(B)(III) OF DRAFT NOTE IS THE SAME AS THAT IN MEMORANDUM, THE LANGUAGE USED HAS BEEN COMPLETELY CHANGED. LANGUAGE IN MEMO IS SAME AS THAT USED IN KOREAN MEMO; HOWEVER, TERMS IN SIGNED KOREAN AGREEMENT ARE SAME AS THOSE PROPOSED IN DRAFT NOTE. LANGUAGE WAS CHANGED BECAUSE OF LACK OF CLARITY AND SUBSEQUENTLY DISCOVERED POSSIBILITY OF RESTRICTIVE INTERPRETATION OF LANGUAGE IN MEMO.
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7. IN PARA 9(A), TERM "MAN-MADE ARTICLES" HAS BEEN CORRECTED TO READ "MADE-UP ARTICLES".

8. SECOND (LAST) SENTENCE OF PARA 12 OF NOTE IS NEW. THIS SENTENCE WAS NOT INCLUDED IN EITHER HONG KONG OR KOREAN AGREEMENTS; HOWEVER, IT DOES REPRESENT OUR PRACTICE WITH RESPECT TO OVERSHIPMENTS OF AGREED LEVELS FOR SOME TIME. MALAYSIA HAS NOT OVERSHIPPED AGREED LEVELS DURING RECENT YEARS, SO US PRACTICE WOULD NOT BE KNOWN TO THEM. WHERE OVERSHIPMENTS HAVE OCCURRED FROM OTHER EXPORTERS, WE HAVE OBTAINED LETTER FROM THEM, AUTHORIZING CHARGE TO FOLLOWING YEAR. THIS SENTENCE DOES NOT GUARANTEE THAT U.S. WILL PERMIT ENTRY OF OVERSHIPMENTS; IT ONLY PERMITS US TO CHARGE TO FOLLOWING YEAR IF WE DO AGREE TO PERMIT ENTRY.

9. PARA 19 OF DRAFT NOTE IS NEW, ALTHOUGH IT WAS DISCUSSED BRIEFLY DURING NEGOTIATIONS. ALTHOUGH NEW CATEGORY SYSTEM MAKES PROVISION FOR TWO COTTON SUIT CATEGORIES, THESE ARE NOT BEING IMPLEMENTED THIS YEAR BECAUSE MOST EXPORTING COUNTRIES (AS WELL AS U.S.) DO NOT HAVE DATA SHOWING HOW MANY COTTON SUITS WERE EXPORTED IN PAST. THERE WERE NO COTTON SUIT CATEGORIES IN PAST. WE ARE ASKING ALL COUNTRIES WITH WHICH WE ARE NEGOTIATING NEW BILATERAL AGREEMENT TO MAINTAIN RECORDS OF SUCH SHIPMENTS; IF US DECIDES TO USE COTTON SUIT CATEGORIES IN FUTURE, WE WILL NEGOTIATE APPROPRIATE LEVELS FOR NEW SUIT CATEGORIES AND FOR CATEGORIES IN WHICH SUITS ARE NOW COUNTED.

10. ANNEX B TO INITIALED MEMORANDUM CONTAINS AN ERROR: THE SECOND AND THIRD AGREEMENT YEAR LIMITS FOR CAT. 347
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SHOULD BE 1,491,000 AND 1,587,915 SYE RESPECTIVELY,
RATHER THAN 1,502,502 AND 1,600,615 SYE. APPARENTLY
LIMITS FOR CAT. 331 WERE COPIED OPPOSITE 347.

11. WE CONCUR WITH APPROACH SET OUT IN REF C. EMBASSY
MAY CHANGE PARA 6(A) OF DRAFT NOTE TO CORRESPOND TO
MALAYSIAN PROPOSAL.

12. PLEASE CONVEY ABOVE TO GOM AND REPORT ANY COMMENTS
THEY MAY HAVE ON DRAFT AGREEMENT. FULLY RECOGNIZING THAT
THERE HAS BEEN DELAY IN GETTING TEXT TO MALAYSIANS, WE
WOULD LIKE TO PROCEED WITH FORMALIZING AGREEMENT AS
RAPIDLY AS POSSIBLE. EMBASSY IS AUTHORIZED TO EXCHANGE
NOTES (OR LETTERS, IF GOM STRONGLY PREFERS AND TIME WOULD
BE SAVED) WITH TEXT AS SET OUT IN REF B AS MODIFIED BY
REF C. IF NOTES EXCHANGED, PLEASE FOLLOW PROCEDURES IN
11 FAM BUT ALSO NOTIFY DEPT (ATTENTION EB/TEX) BY CABLE. CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: WBREW:HM
Enclosure: n/a
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Expiration:
Film Number: D780031-0630
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780139/aaaabgnw.tel
Line Count: 192
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: 0412c7e1-c288-dd11-92da-001cc4696bcc
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: 78 KUALA LUMPUR 9195, 78 STATE 2032
Retention: 0
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Review Content Flags:
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3737746
Secure: OPEN
Status: NATIVE
Subject: TEXTILE AGREEMENT.
TAGS: ETRD, MY
To: KUALA LUMPUR
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/0412c7e1-c288-dd11-92da-001cc4696bcc
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EO Systematic Review
20 Mar 2014
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